

**CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY
AUDITED FINANCIAL STATEMENTS AND REPORTS REQUIRED BY
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200,
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST
PRINCIPLES AND AUDIT REQUIREMENTS
OF FEDERAL AWARDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

FOR THE YEAR ENDED SEPTEMBER 30,2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Corporation for the Conservation of the San Juan Bay Estuary
San Juan, Puerto Rico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Corporation for the Conservation of the San Juan Bay Estuary (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Corporation for the Conservation of the San Juan Bay Estuary as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Corporation for the Conservation of the San Juan Bay Estuary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporation for the Conservation of the San Juan Bay Estuary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corporation for the Conservation of the San Juan Bay Estuary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporation for the Conservation of the San Juan Bay Estuary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of Corporation for the Conservation of the San Juan Bay Estuary’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Corporation for the Conservation of the San Juan Bay Estuary’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation for the Conservation of the San Juan Bay Estuary’s internal control over financial reporting and compliance.



A handwritten signature in blue ink, appearing to read "FSC & Co." with a stylized flourish.

June 28, 2024
San Juan, Puerto Rico

License No. 117
Expires December 1, 2024

The stamp number E-525684 was
affixed to the original of this report.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2023

ASSETS

Current Assets

Cash \$169,186

Accounts receivable 513,011

Total Current Assets 682,197

Operating - Right of Use Lease Asset 299,196

\$981,393

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses \$410,132

Current portion of lease obligation - operating 41,891

Total Current Liabilities 452,023

Long-Term Debt

Lease Obligation-Operating 257,305

Total Liabilities 709,328

Net Assets

Without donor restrictions: 153,305

With donor restrictions 118,760

Total Net Assets 272,065

\$981,393

See notes to the financial statements.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

STATEMENT OF ACTIVITIES AND NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30,2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Grants	\$ -	\$1,833,194	\$1,833,194
Private grants	-	156,000	156,000
Contributions	10,010	-	10,010
In-kind contributions	-	1,741,948	1,741,948
Net assets release from restrictions	<u>3,769,507</u>	<u>(3,769,507)</u>	<u>-</u>
Total Revenues	<u>3,779,517</u>	<u>(38,365)</u>	<u>3,741,152</u>
EXPENSES			
Program services	3,713,492	-	3,713,492
General and administrative	<u>92,567</u>	<u>-</u>	<u>92,567</u>
Total Expenses	<u>3,806,059</u>	<u>-</u>	<u>3,806,059</u>
CHANGES IN NET ASSETS	(26,542)	(38,365)	(64,907)
Net assets, at beginning	<u>179,847</u>	<u>157,125</u>	<u>336,972</u>
Net assets, at ending	<u>\$ 153,305</u>	<u>\$ 118,760</u>	<u>\$ 272,065</u>

See notes to the financial statements.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30,2023

[-----Programs-----]

Capitalization

Description	Grant C-72-250-03 thru 09	EPA Grants	Bird Caribbean	Bil Grant	Private Grants	Total Programs	General and Administrative	Total
Salaries	\$233,659	\$ 214,785	\$ -	\$ 77,198	\$ -	\$ 525,642	\$18,108	\$ 543,750
Fringe benefits	77,238	77,008	-	19,298	-	173,544	3,370	176,914
Professional fees	647,323	318,696	1,867	26,216	112,183	1,106,285	25,205	1,131,490
In-kind	-	1,741,948	-	-	-	1,741,948	-	1,741,948
Rent	-	15,027	417	200	-	15,644	1,173	16,817
Supplies	-	63,993	-	8,773	7,096	79,862	83	79,945
Miscellaneous	-	35,206	278	2,567	17,411	55,462	42,275	97,737
Insurance	2,710	3,339	-	2,765	-	8,814	261	9,075
Utilities	-	3,338	-	97	-	3,435	231	3,666
Travel	-	<u>2,856</u>	-	-	-	<u>2,856</u>	<u>1,861</u>	<u>4,717</u>
	<u>\$960,930</u>	<u>\$2,476,196</u>	<u>\$2,562</u>	<u>\$137,114</u>	<u>\$136,690</u>	<u>\$3,713,492</u>	<u>\$92,567</u>	<u>\$3,806,059</u>

See notes to the financial statements.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30,2023

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	<u>(\$ 64,907)</u>
Adjustment to reconcile changes in net assets to net cash provided by operating activities:	
(Increase) decreases in assets	
Accounts receivable	(21,642)
Deposits	9,650
Increases (decreases) in liabilities:	
Accounts payable	<u>54,343</u>
Total adjustments	<u>42,351</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(22,556)</u>
CASH FLOWS FROM (USED) BY INVESTING ACTIVITIES	-
CASH FLOWS FROM (USED) BY FINANCING ACTIVITIES	<u>-</u>
NET DECREASE IN CASH	(22,556)
CASH, BEGINNING	<u>191,742</u>
CASH, ENDING	<u>\$169,186</u>

SUPPLEMENTAL DISCLOSURE

Interest paid	<u>\$ -</u>
Income tax paid	<u>\$ -</u>

NON-CASH INVESTING

Right of Use Lease Assets and Obligations	<u>\$299,196</u>
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See notes to the financial statements.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30,2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is hereby presented to assist in understanding that financial statements and notes are representations of the corporation management who is responsible for their integrity and objectivity. These accounting policies conform to the generally accepted accounting principles.

A. Nature of Business

Corporation for the Conservation of the San Juan Bay Estuary (SJBE) was incorporated under the laws of the Commonwealth of Puerto Rico on April 4, 2005, to operate as a non-profit organization dedicated to providing management, protection and environmentally educate on the San Juan Bay Estuary conservation.

B. Going Concern Evaluation

On an annual basis, as required by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 205, Presentation of Financial Statements – Going Concern, SJBE performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the SJBE’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Management has concluded that there is no material uncertainty related to SJBE’s ability to continue as a going concern through the date the financial statements were available to be issued.

C. Basis of Presentation

The financial statements of SJBE have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require SJBE to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of SJBE’s management and board of directors.
- **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SJBE or by the passage of time. Other donor restrictions are perpetual in nature where the donor has stipulated the funds be maintained in perpetuity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

C. Basis of Presentation (continue)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

D. Revenue Recognition

SJBE adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers" and all subsequent amendments to the ASU (collectively, "Accounting Standards Concept (ASC) 606"), which create a single framework for recognizing revenue from contracts with customers.

Under this FASB ASC topic, SJBE recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a customer at an amount that SJBE expects to be entitled to in exchange for those products or services.

Revenues that are in the scope of the new framework are reported as revenues in the accompanying statement of activities and net assets. SJBE has utilized the modified retrospective method as applied to customer contracts. The majority of SJBE's revenue arrangements generally consist of a single performance obligation to transfer services.

Based on the SJBE's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as result of the adoption of this topic.

FASB ASC 606 is based on the principle that revenue from contracts with customers should be recognized when an entity transfers goods or services to the customer at the amount the entity expects to be entitled to receive from the customer. It establishes a five-step approach for recognizing and measuring revenue, which is intended as a guideline to help adhere to the key principles established by the new guidance. Under FASB ASC 606, entities should recognize revenue from contracts by applying the following five-step process:

1. Identify the contract with the customer,
2. Identify the separate performance obligations in the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the separate performance obligations, and
5. Recognize revenue when each performance obligation is satisfied.

Grants and contributions are recorded as revenues during the year the related services are rendered.

Revenues are recognized at a point in time as services are performed or goods are delivered. Performance obligations are determined based on the nature of the services provided by SJBE.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

D. Revenue Recognition (continue)

All SJBE's performance obligations are satisfied over time and consists of grants and contributions, which are recognized based on actual amounts received in relation to total expected charges for services anticipated to be provided during the period in which the services are held. These performance obligations have an expected duration of less than one year and are in general completed at the end of the corresponding term. Total revenues for the year ended September 30, 2023, are \$3,741,152.

The following table presents the beginning and ending balances from contracts with customers:

<u>Description</u>	
Accounts receivable, at beginning of year	<u>\$491,369</u>
Accounts receivable, at ending of the year	<u>\$513,011</u>

E. Accounts Receivable

As of September 30, 2023, accounts receivable consisted of federal grant awards available to SJBE that were not requested from the federal awarding agency and contracts with the Puerto Rico Government Agencies.

F. Contributions

SJBE adopted the provisions of the Not-for-profit Entities Topic "*Accounting for Contributions Received and Contributions Made*". This topic requires not for profit organizations to distinguish between contributions received that increase unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The contributions received, including any unconditional promise to give, are recognized as revenues in the period received at their fair values. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when they become unconditional, such as, when conditions are substantially met. An unconditional promise to give due in the next year is recorded at the net realizable value, using free interest rates applicable to the year in which the promise is to be received.

G. Use of Estimates

The financial statements presented in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Statement of Cash Flows

Cash includes cash on banks. For the year ended September 30, 2023, SJBE prepared its cash flows statements using the indirect method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

I. Concentration of credit risks

1) Cash:

SJBE maintains various cash accounts in Puerto Rico commercial banks. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. Amounts on deposit in a single financial institution exceeded the \$250,000 federally insured limit at various times through the year. SJBE did not experience any losses in such accounts. The total amounts on deposits in these banking institutions exceeded the federally insured limits by \$0 for the year ended September 30, 2023.

2) Major sources of revenues and accounts receivable

100% of the receivable balances and concentrations of credit risk related to that receivables consist of a federal grant awards available to SJBE that were not requested from the federal awarding agency and contracts with the Puerto Rico Government Agencies. For the year ended September 30, 2023, SJBE received 96% from federal grants. SJBE provides a reasonable and sufficient allowance for doubtful accounts based on customers analysis to cover expected losses, based on historical trends and other information. SJBE received

J. Income Taxes

SJBE is exempt from the payment of income taxes under the provisions of the federal income tax Section 501©(3) of the US Internal Revenue Code and Internal Revenue Code of Puerto Rico (Section 1101.06), as amended.

K. Fair Value of Financial Instruments

The carrying amount of cash is approximately fair value because of the short maturity of those financial instruments. The carrying amount of lease obligations - operating is approximate to fair value because those financial instruments bear interest at rates that approximate current market rates for loans with similar maturities and credit quality. The estimated fair values of receivables and payable that arise from the ordinary course of operations approximate their individual carrying amount due to the relatively short period of time between their origination and expected realization. ASI did not have financial instruments on September 30, 2023. The fair value of financial instruments is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair values can vary from period to period based on changes in a wide range of assumptions and factors, including interest and market perceptions of values and as existing assets and liabilities run off and new items are generated.

L. Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to SJBE's activities dedicated to provides management, protection and environmentally education on the San Juan Bay Estuary conservation. For the year ended September 30, 2023, the SJBE did not have non-operating activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

M. Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Such allocations are determined by management on an equitable basis and presented in the statement of functional expenses. The expenses that are allocated include the following:

<u>Description</u>	<u>Allocation Methodology</u>
Salaries and benefits	Time and effort
Travel	Time and effort
Professional fees	Time and effort
Supplies and others	Time and effort
Insurance	Insurance coverage
Rent	Square footage
Utilities	Energy consumption
Office expense	Time and effort
UPR contract	Full time equivalent

N. In-Kind Contribution

a) In-Kind contributions

For the year ended September 30, 2023, SJBE in-kind contributions come from various governmental agencies to comply with the matching requirements established in the National Estuary funds proposals. The in-kind contributions are reported as contributions at their estimated fair value, with corresponding expenses allocated to the beneficiary program as follows:

<u>Description</u>	
Improvements and maintenance work for the sanitary sewer infrastructure in the Metropolitan Area.	<u>\$1,741,948</u>

b) Donated Services

Several volunteers have made significant contributions of their time in furtherance of SJBE's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

O. Description of the Programs

For the year ended September 30, 2023, SJBE had the following grants or contracts:

1) U.S. Environmental Protection Agency (EPA Grants):

The San Juan Bay Estuary Program implements those projects and programs included in its Comprehensive Conservation and Management Plan. The program should improve the water and sediment quality of the SJBE to ensure that it is suitable for fishing and swimming and to promote other compatible recreational

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

O. Description of the Programs (continue)

and commercial activities. It should enhance and maintain ecosystems which support and optimize diversity of living resources on a sustained basis. It should improve habitats and enhance the esthetic, recreational and economic values of the SJBE by ensuring that the watershed is free of aquatic debris and maximize public involvements in the implementation of the Comprehensive Conservation and Management Plan.

2) Capitalization Grant for Clean Water State Revolving Funds:

This is an agreement between Puerto Rico Infrastructure Financing Authority, acting on behalf of the Commonwealth of Puerto Rico, and SJBE for the following:

a) Grant C-72-250-04 – Mitigation:

Program for carrying out a mitigation plan, as this is the key to breaking the cycle of disaster damage, reconstruction and repeated damage. The mitigation plan will help the SJBE Program lead the efforts of assessing its study area after hurricane Maria; approximately 97 square miles, with a population of approximately 700,000 thousand people. A comprehensive mitigation plan will be developed to help SJBE identify risks and vulnerabilities associated with natural disasters and develop long-term strategies for protecting people and property from future hazard events. By developing a strong mitigation plan, the SJBE Program will be able to guide eight (8) municipalities in their processes of rebuilding a more resilient estuary watershed and system.

b) Grant C-72-250-05 - Green Infrastructure:

Program to support the municipalities of San Juan, Loíza, Carolina and Bayamon through green infrastructure projects. Green infrastructure is an environmentally sustainable technique to manage storm water that uses vegetation, soil, and natural processes to manage water and create healthier, more resilient urban environments. The Green Infrastructure Master Plan for the metropolitan region of Puerto Rico incorporates architectural planning and design at several different scales, following the participatory-process model. It seeks to identify and access financial and technical resources in order to promote the concept of green infrastructure and to implement it at state and municipal levels.

A green infrastructure expert will be hired to coordinate the overall project. The project will be managed by the Executive Director of the San Juan Bay Estuary Program, who is an expert in green infrastructure and green building techniques. The first part of the plan is a geo-referenced database on proposed and existing green infrastructure in the SJBE watershed (Metro region of Puerto Rico), laws, topographic maps, survey maps, aerial photographs, satellite images and vegetation cover maps. Secondly, the Plan will identify existing green infrastructure and areas of opportunity for expansion and improvement of this infrastructure. Thirdly, the Plan includes three pilot projects to be executed and documented as part of the Green Infrastructure Master Plan. The projects are for San Juan, Loiza and Bayamon.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

O. Description of the Programs (continue)

3. Bipartisan Infrastructure Law (BIL)

A cooperative agreement was provided to SJBE to support implementation of its Comprehensive Conservation and Management Plan to improve the water quality, protect the natural habitat and living resources, and support sustainable human uses of the SJBE. The BIL is to support the restoration of the Juna Méndez Creek, in the municipality of San Juan through high-impact blue/green infrastructure interventions, achieving medium term restoration of waters communities affected by this body of water, many of which be environmental justice communities.

4. Adventures for the Minds:

This agreement is being run by a resident artist through the SJBE resilience hubs, as part of the arts and culture component of community resilience program for one year. The artists residents program uses art to heal from the trauma of Hurricane María, rescue local knowledge and teach about the connection between water, health and climate. A local artist implements programs to raise awareness about the relationship between water and their community. The artwork will highlight residents' contributions to their surroundings and provide collaborative spaces where history, art and trade skills will be shared. SJBE's most recent Hub at Taller Comunidad La Goyco, has a live-in artist and workshop. The Taller La Cienaga project provides creative workshops related to visual arts and community environment, empowerment for the community and for women in the creative arts.

5. Qué No Toque el Piso, Ni Llegue al Agua:

Collaboration from a Private Foundation in the program "Qué No Toque el Piso, Ni Llegue al Agua". The program has a duration of three (3) years, from April 2021 to April 2024 and consists of a close collaboration with the community, will use the grant to continue to focus the merchants of Loíza Street to reduce and properly dispose of the waste generated in their businesses. SJBE will be evaluating and proposing a series of public policy proposals that regulate, encourage and structure the management process of solid waste in complex regions such as San Juan Loíza street. To achieve this, SJBE will serve as a facilitator in communication and actions between residents, merchants, Municipality of San Juan, Department of Transportation and Public Works, and Company of Tourism; through Loiza Street.

6. Citizen Scientists for Socio-Ecological Resilience:

Collaboration from BPPR Foundation in the program "Citizen Scientists for Socio-Ecological Resilience". The program has a duration of two (2) years, from June 1, 2021 to May 31, 2023 and consists of certify 150 people as Citizen Scientists of the SJBE in Socio-ecological Resilience in the monitoring of water quality, monitoring of tropical coastal ecosystems (coral reefs and mangroves), to develop labor capacity in the region in the implementation of projects of green infrastructure, restore the capacity of ecosystems to provide their services and strengthen the resilience of communities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

P. Description of With Donor Restrictions Net Assets

For the year ended September 30, 2023, the following grant/contracts were recorded as with donor restrictions depending on the existence and/or nature of grant's restrictions:

- EPA grants and certain other private contributions.

After the contracted services are fully provided at the entire satisfaction of the donor, the net assets with donor restrictions are reclassified into net assets without donor restrictions and reported in the statement of activities as net assets release from restrictions.

Q. Leases

Leases Accounting Policies – Lessee

SJBE recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. SJBE determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of the right-to-use assets and lease liabilities on the Balance Sheet. Right-to-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. SJBE determines lease classification as operating or finance at the lease commencement date. Finance leases, if applicable, are included in property and equipment, other current liabilities, and other long-term liabilities in our balance sheet.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right-to-use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. SJBE uses the implicit rate when readily determinable.

As most of the leases do not provide an implicit rate, SJBE uses its most recent borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to the interest rate on SJBE's line of credit corresponding to the lease commencement date.

The lease term is the noncancelable period per the contract. Additionally, the lease term may include options to extend or to terminate the lease that SJBE is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

R. Contributed Nonfinancial Assets

The guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. For the nine-month periods ended September 30, 2023, SJBE did not receive nonfinancial assets.

NOTE 2 – CASH

The cash balances consisted of the following:

<u>Description</u>	
Petty cash	\$ 11
General public contributions and/or donations	20,282
General fund	<u>148,893</u>
	<u>\$169,186</u>

NOTE 3 – ACCOUNTS RECEIVABLE

The accounts receivable balance is composed of the following:

<u>Description</u>	
Grant receivables	<u>\$513,011</u>

SJBE did not have allowance for doubtful accounts for the year ended September 30, 2023, due to expectancy of collecting receivables during the next accounting period.

NOTE 4 - OPERATING RIGHT-TO-USE ASSETS

The operating-Right-To-Use-Assets consist of the following amounts:

	<u>Balance</u> <u>September 30,</u> <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30,</u> <u>2023</u>
Right-to-Use assets	\$ -	\$299,196	\$ -	\$299,196
Less Accumulated amortization				
Right-to-use assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$299,196</u>	<u>\$ -</u>	<u>\$299,196</u>

NOTE 5 – LEASE OBLIGATION - OPERATING

The Lease obligation – operating consists of the following:

<u>Description</u>	
SJBE executed an agreement on September 15, 2023, to lease office facility for five years, requiring 60 monthly payments of \$5,733 up to \$6,349. The lease liability is measured at the applicable incremental borrowing rate (IBR) of 7.64%. As a result of the lease, SJBE has a lease asset with an original cost of \$299,196 and without purchase option, and lease liability of \$299,196 at the inception of the agreement.	\$299,196
Less: amount reported as current portion	<u>(41,891)</u>
Right-To- Use Liability long-term portion	<u>\$257,305</u>

NOTE 5 – LEASE OBLIGATION – OPERATING (CONTINUE)

Long-term lease obligations maturities for the next five years are as follows:

<u>Year Ending June 30,</u>	
2024	\$ 41,891
2025	54,810
2026	60,563
2027	66,803
2028	<u>75,129</u>
	<u>\$299,196</u>

NOTE 6- NET ASSETS RELEASED FROM RESTRICTIONS

The net assets released after satisfaction of program restrictions are composed as follows:

Description

National Estuary Program	\$2,476,196
Bipartisan Infrastructure Law (BIL)	137,114
Government of Puerto Rico- Environmental Quality Board	960,930
Neotropical Migratory Bird Conservation	902
Private foundations	<u>194,365</u>
	<u>\$3,769,507</u>

NOTE 7 – AVAILABILITY AND LIQUIDITY

The following represents SJBE’s financial assets as of September 30, 2023:

Financial assets at year-end:	
Cash	\$169,186
Account receivables	<u>513,011</u>
Total financial assets	682,197
Less: Contribution with donor restrictions	<u>(118,760)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$563,437</u>

NOTE 8 – RETIREMENT PENSION PLAN

On January 1, 2012, SJBE established a retirement plan on behalf of full-time employees who meet the minimum service and eligible requirements to participate in the plan. The minimum annual contribution made by the full-time employees is three percent (3%) of his/her salaries up to \$15,000 of contribution. The SJBE matches up to six percent (6%) of the employee contributions. The employer contributions are totally discretionary. Pension plan expense for the year ended September 30, 2023, is \$38,498.

NOTE 9 - LEASES

SJBE recognizes and measures its leases in accordance with FASB ASC 842, Leases. SJBE is a lessee in a non-cancellable operating lease, for office facilities.

SJBE determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. SJBE recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise SJBE uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use our incremental borrowing rate based on the information available at the commencement date for all leases.

SJBE incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

SJBE has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the SJBE is reasonably certain to exercise. We recognize lease cost associated with our short-term leases on a straight-line basis over the lease term. SJBE made an accounting policy election by class of underlying asset, for office facilities, to account for each separate lease component of a contract and its associated non-lease components (lessor-provided maintenance) as a single lease component.

Lease Assets – Lessee

SJBE has recorded right-to-use lease assets because of implementing ASC 842, *Leases*. The lease assets are initially measured at an amount equal to the initial measurement of the related leases liabilities plus any lease payments made prior to the lease term and ancillary charges necessary to place the lease into service, less lease incentives, if any. Lease assets are amortized on a straight-line basis over the shorter of the useful life of the underlying asset or the lease term.

Lease asset activity for the SJBE as of September 30, 2023, was as follows:

Right-To-Use capital assets	\$299,196
Amortization- Right-To-Use	<u> -</u>
Total Right-To-Use less accumulated amortization	<u>\$299,196</u>

NOTE 9 – LEASES (CONTINUE)

Lease Liability (Right-To-Use Capital Assets) - Lessee

SJBE executed an agreement for up to five (5) years, requiring sixty (60) monthly payments. The leases liabilities are measured at the applicable Incremental Borrowing Rate (IBR) according to rates established in each agreement. As a result of these leases, the SJBE has a lease asset with an original cost of \$299,196, and a lease liability of \$299,196, at the inception of the agreement.

The long-term liability roll-forward schedule is as follows:

Description	<u>10/1/2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>9/30/2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Operating Right-To-Use	<u>\$ _____-</u>	<u>\$299,196</u>	<u>(\$ _____-)</u>	<u>\$299,196</u>	<u>\$41,891</u>	<u>\$54,810</u>	<u>\$60,563</u>	<u>\$66,803</u>	<u>\$75,129</u>

The future minimum payments on this lease as of September 30, 2023, were as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>total</u>
2024	\$ 41,891	\$26,905	\$ 68,796
2025	54,810	15,750	70,560
2026	60,563	11,821	72,384
2027	66,803	7,453	74,256
2028	<u>75,129</u>	<u>1,059</u>	<u>76,188</u>
	<u>\$299,196</u>	<u>\$62,988</u>	<u>\$362,184</u>

In addition, SJBE paid rents for certain transactions when incurred or in short term periods for \$16,817.

NOTE 10- COMMITMENT

SJBE participates in various federally funded programs of the U.S. Environmental protection Agency and other programs. These financial assistance programs are routinely subject to financial and compliance audits in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The reports on the audits of these programs, which are conducted pursuant to regulatory requirements by external auditors of SJBE, must be submitted to SJBE, EPA and other entities. Such federal agencies have the authority to determine liabilities, as well as to limit, suspend, or terminate assistance programs. Other federal and local programs are also subject to audits. Such audits could result in claims against the resources of SJBE. No provision has been made for any liabilities which may arise from such audits, since such amounts, if any, cannot be determined at this date.

NOTE 11 – SUBSEQUENT EVENTS

SJBE adopted the provisions of *Subsequent Events Codification*. This topic establishes general accounting standards and disclosure of events that occur after the balance sheet date, but before financial statements are issued or are available for issuance. Thus, this topic introduces the concept of financial statements available to be issued, which are financial statements that are completed in form and format that comply with generally accepted accounting principles (GAAP) and have obtained all the needed approvals required for issuance.

The codification requires the disclosure of the date when an entity has evaluated subsequent events, and the basis for determining such date, whether it is the date when the financial statements were issued or when they were available for issuance. This topic should be applied to the accounting and disclosure of subsequent events not addressed on others applicable GAAP. SJBE evaluated subsequent events until June 28, 2024.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30,2023

FEDERAL/GRANTOR PASS-THROUGH GRANTOR/ PROGRAM TITLE	Assistance Listing Number	Pass-Through Entity Identifying number	Pass-Through to Subrecipients	Total Federal Expenditures
ENVIRONMENTAL PROTECTION AGENCY:				
National Estuary Program	66.456	n/a	n/a	\$ 734,248
Bipartisan Infrastructure Law (BIL) Passthrough the Government of Puerto Rico: Environmental Quality Board: Capitalization Grants for Clean Water State Revolving Funds	66.456 66.458	n/a C-72-250-03 thru 09	n/a n/a	137,114 <u>960,930</u>
Total Environmental Protection Agency				<u>1,832,292</u>
DEPARTMENT OF INTERIOR				
Neotropical Migratory Bird Conservation	15.635	n/a	n/a	<u>2,562</u>
Total Department of Interior				<u>2,562</u>
<i>Total Expenditures of Federal Awards</i>				<u><u>\$1,834,854</u></u>

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

NOTES TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30,2023

NOTE 1- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grants activity of Corporation for the Conservation of the San Juan Bay Estuary under programs of the Federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation for the Conservation of the San Juan Bay Estuary it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Corporation for the Conservation of the San Juan Bay Estuary.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
- C. Corporation for the Conservation of the San Juan Bay Estuary has determined to use the cost allocation Methodology V5.0 plan approved by the Environmental Protection Agency in March 2016.

NOTE 3- SCHEDULE NOT IN AGREEMENT WITH OTHER FEDERAL AWARD REPORTS

The information included in the schedule may not fully agree with other federal award reports submitted directly to federal granting agencies.

NOTE 4- FEDERAL ASISTANCE LISTING NUMBER

The CFDA numbers included in this schedule are based on the program name, grant contract information and the Office of Management and Budget's Catalogue of Federal Domestic Assistance.

NOTE 5 - CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS

The Capitalization Grants for Clean Water State Revolving Funds are under contract with the Government of Puerto Rico Environmental Quality Board (EQB), contract C-72-250-03 through 09.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Corporation for the Conservation of the San Juan Bay Estuary
San Juan, Puerto Rico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Corporation for the Conservation of the San Juan Bay Estuary (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Corporation for the Conservation of the San Juan Bay Estuary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Corporation for the Conservation of the San Juan Bay Estuary's internal control. Accordingly, we do not express an opinion on the effectiveness of Corporation for the Conservation of the San Juan Bay Estuary's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corporation for the Conservation of the San Juan Bay Estuary financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



A handwritten signature in blue ink, appearing to read "Escand & Co." with a stylized flourish.

June 28, 2024
San Juan, Puerto Rico

License No. 117
Expires December 1, 2024

The stamp number E-525685 was
affixed to the original of this report.

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Corporation for the Conservation of the San Juan Bay Estuary
San Juan, Puerto Rico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Corporation for the Conservation of the San Juan Bay Estuary's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Corporation for the Conservation of the San Juan Bay Estuary's major federal programs for the year ended September 30, 2023, Corporation for the Conservation of the San Juan Bay Estuary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Corporation for the Conservation of the San Juan Bay Estuary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Corporation for the Conservation of the San Juan Bay Estuary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Corporation for the Conservation of the San Juan Bay Estuary compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Corporation for the Conservation of the San Juan Bay Estuary's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Corporation for the Conservation of the San Juan Bay Estuary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Corporation for the Conservation of the San Juan Bay Estuary's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Corporation for the Conservation of the San Juan Bay Estuary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Corporation for the Conservation of the San Juan Bay Estuary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Corporation for the Conservation of the San Juan Bay Estuary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



A handwritten signature in blue ink, appearing to read "FSC & Co." with a stylized flourish.

June 28, 2024
San Juan, Puerto Rico

License No. 117
Expires December 1, 2024

The stamp number E-577741 was
affixed to the original of this report.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

SUMMARY OF AUDITOR'S RESULTS

FOR YEAR ENDED SEPTEMBER 30,2023

The independent auditors' report on the audited financial statements expressed an unmodified opinion.	Yes
Material deficiencies on internal control over financial reporting and non-compliance were not identified.	No
Significant deficiencies on internal control over financial reporting and non-compliance were not identified.	No
Material deficiencies on internal control over compliance with requirements applicable to major federal award programs were not identified.	No
Significant deficiencies on internal control over compliance with requirements applicable to major federal award programs were not identified.	No
The independent auditor's report on compliance with requirements applicable to major federal award programs expressed an unmodified opinion.	Yes
The audit findings are disclosed in the Scheduled of Finding and Questioned costs as requested in accordance with Uniform Guidance. Major Program -	Yes Assistance listing number 66.458
A threshold of \$750,000 was used to distinguish between Type A and Type B programs as those terms are defined in Uniform Guidance	\$750,000
Corporation for the Conservation of the San Juan Bay Estuary qualify as low-risk auditee as that term is defined in Uniform Guidance.	Yes

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30,2023

FINANCIAL STATEMENTS AND FEDERAL PROGRAMS FINDING

No findings were noted.

CORPORATION FOR THE CONSERVATION OF THE SAN JUAN BAY ESTUARY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30,2023

No findings were reported as of September 30, 2022.